

# **Washington State Auditor's Office**

## **Audit Report**

### **Audit Services**

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Report No. 58044

**KING COUNTY FIRE PROTECTION DISTRICT NO. 39**

King County, Washington

January 1, 1995 Through December 31, 1995

Issue Date: February 28, 1997

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**KING COUNTY FIRE PROTECTION DISTRICT NO. 39**  
**King County, Washington**  
**January 1, 1995 Through December 31, 1995**

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**Independent Auditor's Report On Compliance With State  
Laws And Regulations**

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Board of Commissioners  
King County Fire Protection District No. 39  
Federal Way, Washington

We have audited the financial statements, as listed in the table of contents, of King County Fire Protection District No. 39, King County, Washington, as of and for the fiscal year ended December 31, 1995, and have issued our report thereon dated November 27, 1996.

We also performed tests of compliance with state laws and regulations as required by *Revised Code of Washington* (RCW) 43.09.260. This statute requires the State Auditor to inquire as to whether the district complied with the laws and the *Constitution of the State of Washington*, its own ordinances and orders, and the requirements of the State Auditor's Office.

Compliance with these requirements is the responsibility of the district's management. Our responsibility is to make a reasonable effort to identify any instances of misfeasance, malfeasance, or nonfeasance in office on the part of any public officer or employee and to report any such instance to the management of the district and to the Attorney General. However, the objective of our audit of the financial statements was not to provide an overall opinion on compliance with these requirements. Accordingly, we do not express such an opinion.

The results of our tests indicated that, with respect to the items tested, the district complied, in all material respects, with the applicable laws and regulations referred to in the preceding paragraphs. However, we noted instances of noncompliance of regulatory requirements immaterial to the financial statements which are identified in the Schedule of Findings accompanying this report. With respect to items not tested, nothing came to our attention that caused us to believe that the district had not complied, in all material respects, with those provisions.

This report is intended for the information of management and the board of commissioners and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

Brian Sonntag  
State Auditor

November 27, 1996

**KING COUNTY FIRE PROTECTION DISTRICT NO. 39**  
**King County, Washington**  
**January 1, 1995 Through December 31, 1995**

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**Schedule Of Findings**

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1. District Officials Should Comply With Bidding Requirements

During the period under audit, district officials expended approximately \$11,142 in construction costs, \$5,570 in carpeting, and \$3,787 in roofing for the district's Station 8 remodel project. District officials did not solicit competitive bids on the purchase as is required per RCW 52.14.110.

RCW 52.14.110 states in part:

Insofar as practicable, the purchases and any public works by the district shall be based on competitive bids. A formal sealed bid procedure shall be used as standard procedure for purchases and contracts executed by the board of commissioners. Formal sealed bids shall not be required for:

(3) Contracting for work to be done involving the construction or improvement of a fire station or other buildings where the estimated costs will not exceed the sum of two thousand five hundred dollars, which includes the cost of labor, material, and equipment. However, when the estimated cost is from two thousand five hundred dollars up to ten thousand dollars, the commissioners may by resolution use the small works roster process . . . .

While two of the above mentioned amounts for improvements to the district are greater than \$2,500 and less than \$10,000, the district does not have a small works roster process. Consequently, purchases and public works by the district should have been based on competitive bids as per RCW 52.14.110.

The failure to solicit competitive bids appears to be the result of the district's segregation of bid law monitoring among various divisions. Persons responsible for monitoring for compliance were often unaware of the specific bid law thresholds.

By not soliciting competitive bids on these purchases, district officials may not have purchased these services for the lowest competitive price.

We recommend district officials establish guidelines specifying bid law compliance responsibilities among the various divisions within the district. We further recommend district officials responsible for such compliance carefully monitor purchases and follow competitive bid laws when applicable.

Auditee's Response

*Future purchases and public works greater than \$2,500 and less than \$10,000 will be based on competitive bids as per RCW 52.14.110. Guidelines specifying bid law compliance responsibilities will be established and distributed among the various divisions within the fire district. Appropriate supervisors responsible for compliance will carefully monitor purchases and follow competitive bid laws when applicable.*

2. District Officials Should Ensure District Vehicles Are Marked In Accordance With The Law

During our audit of the district, we noted five Chevrolet Blazers and two Ford Crown Victorias were not marked with the district's name and, thus, are not in accordance with RCW 46.08.065.

RCW 46.08.065, Publicly owned vehicles to be marked, states in part:

It is unlawful for any public officer having charge of any vehicle owned or controlled by any . . . public body in this state . . . used in public business to operate the same upon the public highways of this state unless and until there shall be displayed upon such automobile or other motor vehicle in letters of contrasting color not less than one and one-quarter inches in height in a conspicuous place on the right and left sides thereof, the name of the such . . . public body, together with the name of the department or office upon the business of which the said vehicle is used.

District officials stated the failure to mark the vehicles was due to oversight.

We recommend district officials mark their vehicles in accordance with RCW 46.08.065.

Auditee's Response

*The district is now in compliance with RCW 46.08.065. All district vehicles have been appropriately marked with the district's name.*

Auditor's Concluding Remarks

We appreciate district management's proactive response and will review their progress during our next audit.

**KING COUNTY FIRE PROTECTION DISTRICT NO. 39**  
**King County, Washington**  
**January 1, 1995 Through December 31, 1995**

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**Independent Auditor's Report On Financial Statements And Additional Information**

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Board of Commissioners  
King County Fire Protection District No. 39  
Federal Way, Washington

We have audited the accompanying Statement of Assets and Liabilities Arising From Cash Transactions and Statement of Fund Resources and Uses Arising from Cash Transactions and Other Changes in Fund Balance of the various funds of King County Fire Protection District No. 39, King County, Washington, for the fiscal year ended December 31, 1995. These financial statements are the responsibility of the district's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the financial statements, the district prepares its financial statements on the cash basis of accounting that demonstrates compliance with Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor, which is a comprehensive basis of accounting other than generally accepted accounting principles.

The district did not present note disclosure for the year ended December 31, 1995. Presentation of such notes would provide additional information regarding the district's operating, investing, and financing activities. Note disclosure is required by generally accepted accounting principles.

In our opinion, except that the lack of note disclosure results in an incomplete presentation as explained in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and recognized revenues and expenditures of the funds of King County Fire Protection District No. 39 for the fiscal year ended December 31, 1995, on the cash basis of accounting described in Note 1.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Long-Term Debt is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Brian Sonntag  
State Auditor

November 27, 1996